GOVERNMENT OF INDIA
CHEMICALS AND FERTILIZERS
LOK SABHA

UNSTARRED QUESTION NO:6031
ANSWERED ON:11.04.2017
Price Fixation of Essential Drugs
Kundariya Shri Mohanbhai Kalyanjibhai

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

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(a) whether the NPPA has expressed apprehensions that its regulations/directions have not been followed in price fixation of a large number of essential drugs;

(b) if so, the details thereof and the response of the Government thereto; and

(c) the steps being taken by the Government to ensure compliance of its pricing directions by Pharma companies?

Answer

MINISTER OF STATE IN THE MINISTRY OF ROAD TRANSPORT AND HIGHWAYS; MINISTRY OF SHIPPING AND MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI MANSUKH L. MANDAVIYA)

(a) & (b): No, Madam. The price notification of National Pharmaceutical Pricing Authority (NPPA) is followed by the pharmaceutical companies in general. Notices are issued to the pharmaceutical companies violating the notified price and overcharging patients under various provisions of Drugs (Prices Control) Order, 1995 (DPCO, 1995) / Drugs (Prices Control) Order, 2013 (DPCO, 2013) read with Section 7A of Essential Commodities Act, 1955. The detailed list of overcharging cases where demand notices have been issued is available on NPPA website www.nppa.nic.in .

(c): NPPA is monitoring the prices of scheduled medicines and takes action against companies found overcharging the consumers based on the references received from the State Drugs Controllers / individuals, samples purchased from the open market and price violation reports from market based data and complaints reported through the grievance redressal websites, 'Pharma Jan Samadhan' and 'Centralized Public Grievance Redress and Monitoring System (CPGRAMS)' alongwith the analysis of price data from All Indian Origin Chemists & Distributors Limited - Advanced Working, Action & Correction System (AIOCD-AWACS). NPPA also monitors the maximum retail price of non-scheduled formulations and ensures that the MRP of life saving medicine does not exceed more than ten percent of maximum retail price during preceding twelve months. Whenever companies are found selling scheduled formulation at prices higher than the ceiling prices fixed by NPPA, action is taken against such companies under the relevant provisions of DPCO, 2013 and the overcharged amount, along with interest is levied from the company. Similar action is taken whenever companies are found selling non-scheduled formulation at a price which is 10% higher than the MRP of the preceding twelve months.

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